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RUEHKO/AMEMBASSY TOKYO 0750  
RUEHBJ/AMEMBASSY BEIJING 4280  
RUEHBY/AMEMBASSY CANBERRA 1122  
RUEHUL/AMEMBASSY SEOUL 4173  
RUCNDT/USMISSION USUN NEW YORK 0668

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SUBJECT: DONOR ROUNDABLE MEETING ON CLMATE CHANGE

¶1. (U) Summary. During a September 5 Donor Roundtable Meeting on Climate Change, Agus Purnomo, Executive Director, National Steering Committee for the Conference of Parties 13 (COP 13) updated donor partners and embassy officials on COP 13 preparations. Joe Leitmann, Environment Coordinator, World Bank Indonesia presented on the World Bank's proposed mitigation mechanism: the Reducing Emissions from Deforestation and Degradation (REDD) initiative. Leitmann also addressed the status of the Indonesian REDD proposal. Hakan Bjoerkman, United Nations Development Program (UNDP) Country Director, and Dr. Rizaldi Boer, UNDP Senior Advisor, concluded the meeting with a presentation on adaptation and helping Indonesia cope with the impact of climate change. End Summary.

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COP 13 Planning Update  
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¶2. (U) Purnomo described the draft COP 13 agenda as four likely principal items: mitigation, an adaptation funding mechanism, reducing emissions from the forestry sector and technology transfer. Purnomo said that successful outcomes for these areas depended largely on the success of other upcoming climate change meetings, including the September 24 climate change discussions on the sidelines of United Nations General Assembly, the September 27-28 Major Economies Meeting in Washington and the October 24-25 Pre-COP 13 Planning Meeting in Bogor.

¶3. (U) Purnomo reported that logistics planning for COP 13 continues. COP 13 organizers anticipate 191 countries will participate, with 2,500 official delegates, including 120 Environmental Ministers. Organizers expect an additional 2,500 Media participants and 5,000 civilian society participants from NGOs, corporations and other interested groups for a total of 10,000 participants. COP 13 will feature 800 sessions and three major exhibits: a Clean Development Mechanism (CDM) market place and carbon expo; a green/cool energy exhibit; and a climate friendly automotive exhibit. Purnomo emphasized that Embassies should prepare delegations for the fact that COP 13 will not be a stage for speeches and will feature only three plenary sessions. Minister of Environment Rachmat Witoelar, as COP 13 Chairman, will open the working plenary session. President Yudhoyono will open the High Level Session on December 11. Chairman Witoelar will then address the final plenary session to close the event.

¶4. (U) Purnomo also noted that the Indonesian Minister of Finance Sri Mulyani Indrawati was seeking an alternate date for the side

meeting with finance ministers in order to accommodate U.S. Treasury Secretary Paulson's interest in attending. The Ministry of Finance

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expects 20 ministers to attend the ministers' meeting (currently planned for December 11) and 20 deputy ministers to attend the deputies' meeting (currently planned for December 10). Purnomo also described a likely trade ministers meeting on December 9-10 that would include 20 trade ministers and deputies.

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World Bank REDD Initiative  
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15. (U) Joe Leitmann, Environment Coordinator, World Bank Indonesia, presented the World Bank's proposed mitigation mechanism: the Reducing Emissions from Deforestation and Degradation (REDD) initiative. The REDD mechanism proposes that countries able to reduce deforestation against an agreed future estimate would be compensated for the amount of resulting reduction in carbon emissions. Leitmann noted that the potential value for compensation for Indonesia is significant, with estimates ranging from \$500 million and \$2 billion.

6.(U) Leitmann explained that the Forest Carbon Partnership Facility (FCPF) is a likely instrument for REDD. The objective would be to kick-start the forest carbon market through testing approaches (national and subnational, market and nonmarket), incentive systems, institutional arrangements and payment mechanisms. He noted that discussions of the FCPF have accelerated since last year with several tropical countries (Democratic Republic of Congo, Brazil, Costa Rica, Papua New Guinea, and Indonesia) expressing interest in participating and a number of industrial countries (Germany, the United Kingdom, Australia, France, Belgium and Italy) expressing interest in financing.

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17. (U) Leitmann described the Indonesian REDD proposal as the most advanced REDD country proposal at this time. The Ministry of Environment has set up seven cross-Ministry working groups to work on technical proposals for Bali on adaptation, forestry, energy, technology transfer, Clean Development Mechanism, financial mechanisms and post-2012 Kyoto Protocol plans. The goal of the Indonesian REDD is to develop a workable carbon financing mechanism for avoided deforestation that is ready for presentation at the Bali COP. Using public funds initially, the GOI would scale up proposed activities and put them into practice by the end of the Kyoto period in 2012.

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Adaptation - Coping with the Impact of Climate Change  
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8.(U) UNDP's Country Director Hakan Bjorkman and Senior Advisor Dr. Rizaldi Boer presented on the UNDP efforts to help the GOI plan for adaptation. Bjorkman noted that the UNDP's goal is to help GOI plan for and deal with the consequences of increasing climate related disasters, including floods, rising sea levels, and food security issues. The UNDP is working with the government to implement a "climate proofing" concept to increase the resilience of sectors and communities to current and future climate risks, through six intervention strategies:

- revisiting and adjusting long life infrastructure to become climate proof;
- revisiting and synchronizing local and national development plans;
- policy and regulation reform;
- institutional capacity buildings;
- awareness rising and community empowerment; and
- climate research.

19. (U) The UNDP hopes to complete the national adaptation strategy and program by the end of 2007 and then begin donor harmonization activities and program/project implementation in 2008.

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GOI Wants Donor Coordination  
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¶10. (U) Following the presentations, speakers fielded a number of questions. A common theme emerged from speakers and participants that Indonesia does not want a variety of funds from different donors. Indonesia would prefer to work climate change activities through a multidonor fund such as the World Bank proposed Indonesia Climate and Resource Use Sustainability (ICARUS) Fund. BAPPENAS (the GOI planning agency) prefers that donors integrate a pooled activity on climate change into the five-year development plan for Indonesia. Attendees also noted that many G-77 countries are not happy with the management of the Global Environment Facility (GEF) adaptation fund. Purnomo asked donors to work productively and constructively together and not to create tensions through pursuit of solitary activities.

¶11. (SBU) Note: For electronic copies of the presentations, contact ESTH Officers Machut Shishak shishakma@state.gov or Colette Marcellin marcellinca@state.gov.

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